

Canadian Cottons

Limited

MONTREAL, CANADA

FOURTEENTH ANNUAL REPORT

FOR YEAR ENDING 31st MARCH, 1924

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 12TH MAY, 1924

PURVIS HALL
LIBRARIES

DEC 21 1945

McGILL UNIVERSITY

BOARD OF DIRECTORS

President

CHARLES R. HOSMER

Vice-President

A. O. DAWSON

HON. F. L. BEIQUE, K.C.

A. A. MORRICE

GEORGE CAVERHILL

SIR H. MONTAGU ALLAN

W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons

Limited

To the Shareholders:

YOUR Directors, in presenting the Fourteenth Annual Report for the year ending March 31st, 1924, regret being compelled to show a smaller surplus to the credit of Profit and Loss than at March 31st, 1923.

This is due to the serious loss suffered by the Company at the St. Croix Mill, Milltown, N.B., through the flood conditions that existed in the Province of New Brunswick early in May, 1923, at which time some 128 bridges were carried away. The St. Croix River overflowed its banks and washed away the entire supply of coal at this mill. The pressure of water broke down the bulkheads, swept through the finishing room, dyehouse and weave-shed, leaving ruin in its wake. The St. Croix River on this occasion showed a record for height not reached in the last hundred years.

In restoring conditions to normal a sum of \$136,183.78 was expended, and, in making repairs, every effort has been put forth to strengthen the defences so as to guard against similar loss in future.

Added to this disaster, the business suffered from a depression that continued throughout the year. To prevent an undue accumulation of goods, much short time had to be resorted to.

The Manufacturing and Profit and Loss Accounts reveal the following results from the year's operations.

After making provision for depreciation and Government taxes, the Manufacturing Profits and interest from

investments amount to \$621,379.63, and are disposed of as follows :

Bond Interest - - - - -	\$160,167.21
Dividends on Preferred and Common Stocks	436,930.00
Bad Debts written off - - - - -	15,006.77
Carried to credit of Profit and Loss Account	9,275.65
	<u>\$621,379.63</u>

The balance at the credit of Profit and Loss Account, after provision has been made for the flood loss, stands at \$2,680,236.72.

It is difficult to forecast business conditions for the coming year. At the moment curtailment is general among the Textile Mills throughout the world ; and in all probability this will continue for some time to come.

Your Directors hope, however, that the last half of the financial year 1924-25 will show a decided improvement, particularly if a fair cotton crop is harvested which can be sold at reasonable figures. Stocks throughout the whole-sale and retail are steadily diminishing, and further supplies will surely be needed before many months have passed.

It is expected also that some Government action will shortly be taken to overcome the disability to which Canadian manufacturers are now subject through the discount on foreign exchange ; such a movement would certainly tend to increase the demand for domestic goods.

The books and accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

CHARLES R. HOSMER,

President.

Canadian Co

MANUFACTUR

FOR YEAR ENDIN

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replace- ments, Maintenance, Depreciation, and Govern- ment Taxes to date	- - - - -	\$9,212,865.00
---	-----------	----------------

To Balance

Net Profits to Profit and Loss Account	- -	525,889.90
		<u>\$9,738,754.90</u>

PROFIT AND I

31ST MA

To Bond Interest on net amount outstanding	- - -	\$160,167.21
Four Dividends of 1½% each on Preferred Shares	- -	219,690.00
Four Dividends of 2% each on Common Shares	- -	<u>217,240.00</u>
		\$597,097.21
Bad Debts	- - -	15,006.77
Balance forward	- - -	<u>9,275.65</u>
		<u>\$621,379.63</u>

ons, Limited

NG ACCOUNT

31st MARCH, 1924

CR.

By Sales	-	-	-	-	-	-	\$9,677,510.84
Add Inventory of Cloth and Cotton in process of							
Manufacture, 31st March, 1924	-	-	-	-	-	1,520,161.96	
							\$11,197,672.80
Less Inventory of Cloth and Process on hand							
31st March, 1923	-	-	-	-	-	1,458,917.90	
							<u>\$9,738,754.90</u>

LOSS ACCOUNT

CH, 1924

By Net Manufacturing Profits	-	-	-	-	\$525,889.90
By Interest on Investments	-	-	-	-	95,489.73
					<u>\$621,379.63</u>
By Balance forward	-	-	-	-	\$9,275.65
Add Balance, 31st March,					
1923	-	-	-	\$2,807,144.85	
Less Loss St. Croix Flood	-	-	-	136,183.78	
					2,670,961.07
					<u>\$2,680,236.72</u>

Canadian Co

GENERAL

YEAR ENDING

ASSETS

Cash - - - - \$ 105,655.62

Book Debts, net cash basis, Bills

Receivable and Sundry Open

Accounts - - - - 1,291,328.38

Inventory of

Cloth - \$1,286,077.30

Process and Yarns 246,198.74

Raw Cotton - 682,198.55

Supplies - - 146,952.27

Insurance unearned 82,000.00

2,443,426.86

Investment Bonds - - - 1,500,000.00

Total Current Assets \$5,340,410.86

Bonds in Treasury and for Sinking

Fund - - - - 967,022.12

Stocks in other Companies - - 278,127.43

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc. - 10,023,155.57

\$16,608,715.98

Montreal, 30th April, 1924

Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

ons, Limited

STATEMENT

1ST MARCH, 1924

LIABILITIES

Bank Advances	-	-	-	\$595,717.17	
Open Accounts including Estimated					
Tax Reserve	-	-	-	954,949.72	
Bond Interest accrued and Divi-					
dends payable April 4th	-	-	-	149,212.50	
Bills payable	-	-	-	127,068.50	
Total Current Liability					\$1,826,947.59

<u>BONDS</u>	-	-	-	\$5,000,000.00	
Less Redeemed	-	-	-	675,468.33	
					4,324,531.67

CAPITAL

Preferred Authorized					
\$4,500,000.00	-	-	-	Issued	3,661,500.00
Common Authorized					
\$3,500,000.00	-	-	-	Issued	2,715,500.00

RESERVES

Depreciation	-	-	-	\$700,000.00	
Bad Debts	-	-	-	100,000.00	
Special Replacements	-	-	-	600,000.00	
					1,400,000.00

SURPLUS

Balance at Credit of Profit and					
Loss, 31st March, 1924	-				2,680,236.72

INDIRECT LIABILITIES

Customers' paper under discount	\$419,124.22				\$16,608,715.98
---------------------------------	--------------	--	--	--	-----------------

C. R. HOSMER }
A. O. DAWSON } *Directors*

A. BRUCE,
Secretary-Treasurer.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st March, 1924.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

Montreal, 30th April, 1924.

